

EZ TAX FILING INITIATIVE MOVES AHEAD
78 Million taxpayers are one step closer to filing on-line for free

The EZ Tax Filing initiative is moving ahead as the comment period closed September 4, 2002 and comments are being reviewed. On July 31, 2002, the IRS, Department of the Treasury and the Office of Management and Budget (OMB) announced the proposed new agreement to provide easier, secure and free opportunities for Americans to file their taxes on line. On August 4, 2002, the text of the proposed agreement was published in the Federal Register for public comment.

Free federal electronic filing of tax returns is pro-consumer and pro-taxpayer. Up to 78 million Americans stand to benefit from this free service. Taxpayers who e-file get their refunds twice as fast, reducing the need for tax refund loans, which often carry significant fees, and customer surveys consistently show that taxpayers prefer e-filing. Under the proposal, taxpayer privacy and security protections may actually be increased. Marketing of the free electronic filing service will be conducted to increase public awareness. However, federal tax laws strictly prohibit unauthorized marketing to taxpayers using a commercial tax preparation service.

The IRS received more than 700 comments from individual taxpayers, tax software companies, accounting and legal tax professional associations, individual accounting and legal tax professionals, technology associations, members of Congress and various advocacy groups. Attached is a document that summarizes the comments received. An initial review indicates that the overwhelming majority of the comments were positive and support the initiative. The comments are currently being reviewed in detail, and a final analysis and response has not been completed at this point. It is anticipated that a final Federal Register notice will be published when the review is complete.

The new free tax filing consortium Web page is slated to be online by December 31, 2002, in anticipation of the 2003 filing season.